

**HEALTH & HUMAN SERVICES COMMITTEE**  
**of the**  
**Suffolk County Legislature**

**Minutes**

A regular meeting of the Health & Human Services Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Hauppauge, New York, on **April 8, 2004**, at 9:30 A.M.

**Members Present:**

Legislator Lynne Nowick, Vice- Chair  
Legislator Brian Foley  
Legislator Ricardo Montano  
Legislator Jay Schneiderman  
Legislator Elie Mystal

**Members Absent:**

Legislator Paul Tonna, Chairman  
Legislator Vivian Vilorio-Fisher  
Legislator Daniel Losquadro

**Also in Attendance:**

Mea Knapp - Counsel to the Legislature  
Gail Vizzini - Assistant Director of Budget Review Office  
Ed Hogan - Aide to Legislator Nowick  
Priscilla Smith - Aide to Legislator Crecca  
Dr. Linda Mermelstein - Acting Commissioner/Dept. of Health Services  
Janet DeMarzo - Director of Social Services  
Ben Zwirn - Assistant County Executive  
Richard Meyer - Director/General Operations/Dept. of Health Services  
Ed Hernandez - Deputy Commissioner of Department of Social Services  
Len Marchese - Finance Division/Department of Health Services  
Linda O'Donohoe - Assistant to the Commissioner of Social Services  
Elizabeth Harrington - Deputy County Attorney.

Anita Fleishman - Suffolk Coalition of Mental Health Service Providers

Patricia Fogarty - Suffolk Coalition of Mental Health Service Providers  
Lisa Maldonado - Suffolk Coalition of Mental Health Service Providers

Michael Stoltz - Suffolk Coalition of Mental Health Service Providers

Leah Stoltz - Suffolk Coalition of Mental Health Service Providers

Bridget Baio - Suffolk Coalition of Mental Health Service Providers.

Steve Moll - IO Public Affairs

Richard Cassonov - Skills Unlimited

Judy Pannullo - Suffolk Community Council

Miriam Garcia - Adelante Suffolk County

All Other Interested Parties

Minutes Taken By:

Lucia Braaten - Court Stenographer

***[THE MEETING WAS CALLED TO ORDER AT 9:45 A.M.]***

**VICE-CHAIRPERSON NOWICK:**

Legislator Foley, would you lead us in the Pledge?

***(Salutation)***

**VICE-CHAIRPERSON NOWICK:**

Good morning, everybody, and welcome to Health and Human Services. This morning, I would just like to mention that Legislator Losquadro and Legislator Tonna, who is usually the Chairperson of this committee, have excused absences. And I see we have three cards, and I understand that you all want to come up together, is that it? Okay. That's Lisa Maldonado, Bridget Baio, and Michael Stoltz. Come on up. Do you want to sit over here? Grab a microphone. Good morning. How are you?

**MR. STOLTZ:**

Good morning.

**VICE CHAIRPERSON NOWICK:**

Nice to see you again.

**MR. STOLTZ:**

Madam Chair, if it's okay, I'd like to -- I'd like to make some very brief introductory comments, turn it over to our other two speakers, and than make some summary comments at the end.

**VICE-CHAIRPERSON NOWICK:**

Oh sure.

**MR. STOLTZ:**

Thank you.

**VICE-CHAIRPERSON NOWICK:**

Whatever way you want to roll.

**MR. STOLTZ:**

Appreciate it.

**VICE CHAIRPERSON NOWICK:**

Yes.

**MR. STOLTZ:**

Good morning. My name is Mike Stoltz. I'm Executive Director of Clubhouse of Suffolk, a psychiatric rehabilitation and support agency in Ronkonkoma and Riverhead. I had an opportunity last month to quickly introduce you to the activities of the Suffolk Coalition of Community Mental Health Service Providers, and organization of which I served as Co-Chair. This coalition is a group of 16 nonprofit agencies that collectively provide a broad range of out-patient community mental health services to over 30,000 Suffolk County residents each year. We employ or engage in volunteer services, nearly 3,000 people who assist County residents from the Nassau County line to the Atlantic Ocean, and all towns and villages in between.

Behind me are my Co-Chair, Anita Fleishman of Pederson-Krag Center, as well as representatives from other coalition agencies. If you can all just wave. There you go. Thank you. We recognize that there are some newer members of the -- this committee who may not be fully aware of your community mental health system. Today we're appreciative for an

opportunity to have members of this coalition tell you more about the work that our agencies perform for the benefit of all our County residents. We're going to have two speakers beside myself who will tell you about our agencies, and afterward, I'll quickly summarize a few talking points for current or future discussions.

**MS. MALDONADO:**

Good morning. Thank you for this opportunity. My name is Lisa Maldonado, and I'm Coordinator of Community Education for Response of Suffolk County. Response is known for providing a caring voice, and also a connection to community services for those in need on its 24-hour crisis intervention suicide prevention hotline. We help more than 12,000 people every year during their most painful and lonely moments. Now, as a member of the Suffolk Coalition of Mental Health Providers, we're giving voice to those callers.

The coalition assist consists of 16 agencies contracting with Suffolk County to provide mental health services, and is united by an urgent need to sound an alarm. At Response, we learned of this need directly from our callers. As you might imagine, most of our callers -- calls are about loss, loss of a loved one, loss of hope, loss of health. But another theme has emerged over the years and is now voiced continually on the line, the inaccessibility of services.

Imagine, if you will, that a loss has so overwhelmed you that getting dressed and showing up for work takes enormous energy and determination. It's hard to feel or think of anything other than the emotional pain, and every aspect of your life is affected; family, health, friendships. Imagine that the \$400 monthly fee for private therapy is out of reach for you, and you seek help form a community mental health agency. Then you're told that you can't be seen for your first session for 12 weeks. We receive calls from people in just this predicament all the time.

It takes courage and a period of intense pain for most people to seek mental health services. When at last they knock on an agency's door, they expect it will open. Sadly, due to insufficient funding, this is generally not the case in Suffolk County. Eight to 12 week waiting lists for evaluations are typical. Even in urgent situations, when an emergency room refers a person for prompt assessment, the primary treatment will frequently consist of monthly appointments with a psychiatrist lasting only 15 to 30 minutes. A person might also have monthly appointments with a nurse to discuss medications. For several months, possibly for as long as half a year, this will be the only treatment that the County will offer. Until then, the person's primary

supports might be a close friend or supportive family member, if they have one, and the Response hotline, and this is how they come to our attention. The mother whose son is schizophrenic, the teen-ager struggling with suicidal thoughts, the widow who cries every night at suppertime, they've knocked on the County's door and often find it closed. This is ironic, because the range of services that the County funds is enormous.

Services provided by the coalition's members include case management, supported employment, day treatment, partial hospitalization, community residences, apartment treatment programs, drop-in centers, counseling centers, and intensive psychiatric rehabilitation programs. The problem is inadequate staffing due to limited funds. The good news is that the wheel does not have to be invented. We have wonderful programs and dedicated professionals, but the programs themselves need nurturing. When someone knocks on the door of Suffolk County's mental health system, we all want it to open and shed a warm light. Thank you very much.

**VICE-CHAIRPERSON NOWICK:**

Thank you, Lisa. Just before you go on, I just wanted you to know that I also feel very strongly about Response, and I think you know that.

**MS. MALDONADO:**

Yes.

**VICE-CHAIRPERSON NOWICK:**

Sonia had been in many times. And I know my colleagues know this, but I always think about when you talk about the young people in school, the people, the young kids that are so desperate and, God forbid, do not have an answer or don't have anybody to lean on, do not have a support system. How many parents are devastated because these kids take their own lives? So what you do is very, very important. It's not just for young people, but so many of us know somebody in that state of mind and don't know how to help them. So I would commend you and your organization and what you're doing, and you know how supportive I am.

**MS. MALDONADO:**

Yes.

**VICE-CHAIRPERSON NOWICK:**

Thank you.

**MS. MALDONADO:**

Thank you again.

**MS. BAIO:**

Good morning. My name is Bridget Baio, and I'm the Director of the Sayville Project and a member of the Suffolk Coalition of Mental Health Service Providers. The Sayville Project is sponsored by the School of Social Welfare at Stony Brook University, and we provide case management, psychosocial club, and drop-in services to over 350 persons who reside in the greater say Sayville, Patchogue and Bellport communities.

As one of seven providers providing case management services to persons with severe mental health disabilities in Suffolk County, I'm here today to talk about the crisis occurring in Suffolk County adult homes.

At your last meeting, our coalition's Co-Chair, Mike Stoltz, discussed the crisis occurring today in the adult homes in Suffolk County. As you know, Suffolk County is the home to over 60 adult homes which have served as the primary residence for over thirty-five hundred people, the greater proportion of whom are persons who have been disabled by serious mental illnesses. These totals make Suffolk County the locality in New York State with the most adult homes and the most certified adult home beds of any locality in New York State, including the County's within New York City, according to the last Department of Health's annual census report in 2002.

Since September of 2003, 11 adult homes, housing over 527 people, have closed, submitted or commenced approved closure plans with the State Department of Health, or have indicated by formal communication that they have an intent to close. Over 85% of these residents of these homes have serious psychiatric disabilities, often in conjunction with other medical problems, which leaves them unable to participate in mainstream community life without the care and assistance of a congregate care setting.

The number of lost beds will amount to a loss of 5.5 million dollars in adult congregate care

housing in Suffolk County, complicated further by lost jobs and services at a time when affordable housing and housing for persons with disabilities and special needs have been already at a critical shortage. With a less than 1% vacancy rate in adult homes in Suffolk County at any given time, these residents have been forced to accept placements outside of our County, as far away as Upstate, New York, in the five boroughs of New York City, where Suffolk County taxpayers have assumed responsibility for their Medicaid costs, or have been moved to nursing homes at a rate three, four, sometimes five times higher than the cost of adult care facilities in an effort to close these homes quickly. This speaks nothing of the psychological costs to the residents, the majority of whom have been Suffolk County residents for ten or more years, who've been traumatized by the fear and anxiety associated with this process. The psychological burden has increased the need for emergency and other support services, further amplifying the toll on our systems of care.

In fiscal terms, a \$28 problem a day, the current amount provided to an operator to house and care for a person in an adult home with supplemental security income, has turned into an approximate \$150 a day burden for taxpayers for individuals placed in nursing homes, where we have no other resources, and potentially a 98 to \$125 problem a day, solely on Suffolk County taxpayers, should these individuals end up in our County shelter system.

Since September, members of this coalition have worked collaboratively with the State Departments of Health, the Office of Mental Health, and the New York State Commission on the Quality of care, and our local County Health Department to address this urgent need. Unfortunately, the lack of available resources in the State and the County, and the lack of intergovernmental coordination and planning necessary to have averted this crisis in the first place has basically led to a situation where we have collectively abandoned the most fragile and vulnerable citizens of our County.

I have witnessed firsthand the impact that these closures have had on the residents of these homes, as our case management program has provided services to persons residing in two of the homes currently closing, the Family Lodge Adult Home in West Sayville, and the South Country Adult Home in Patchogue. Going from 64 residents in the Family Lodge, 110 residents initially residing at South Country, we're now down to 25 persons in West Sayville, and eight remaining in the South Country Adult Home.

In an effort to reduce costs at the South Country Adult Home, for example, the operators have

chained the vacant rooms, darkened the hallways, a limited on-site clinical services, and reduced staffing. Frightened and frustrated, the at-risk persons remain each day awaiting for an answer from all of us, they're awaiting a placement. As my workers scour the County each day for available beds, the pressure mounts and the operators have used any and all methods to relocate these residents. For example, there's a couple, both who suffer with mental illness, that have been each other's primary support for years, they're clients of ours, there's an elderly gentleman in a wheelchair from the effects of multiple sclerosis, there's a proud middle aged woman, formerly homeless, who successfully battled her addiction to suffer a relapse over this fear of impending homelessness, just to name a few of the people that we're trying every day to help. These are the faces of the people that we have no answers for. These are a few of the hundreds of lives that are in our hands.

I know you understand that we need both an immediate solution and a long-term plan to address this crisis, and we implore you, as a coalition, to work with us collaboratively to find solutions. Thank you.

**VICE-CHAIRPERSON NOWICK:**

Thank you.

**MR. STOLTZ:**

We brought some brochures about the coalition. Everyone got them. Thank you.

Members of this committee, it's our hope that in the course of your work, you'll come to see us not as another budget item, but, instead, as your best ally, previously all too silent in your budget conscious endeavors. When you think of dollars spent by our County DSS and the huge challenges that that department undertakes, think of us as being the people who work side by side with our excellent DSS leadership, and with County residents who are at risk of becoming homeless, hungry, displaced, placed in foster care, to work to eliminate those risks to overcome their personal barriers and define hope and direction. When you think of County Medicaid dollars, think of us as the agents who work with the families and people at grave psychiatric risk to access state-of-the-art mental health care, so that costly hospitalizations and formal police intervention and costly police overtime can be avoided or minimized, so that afflicted people can experience recovery. And when we're not providing such services, we're the advocates working in concert with our excellent County mental health officials to speak up to

the State Offices of Health and Mental Health, as we're doing in our current County adult home crisis, to call them to task when they are not putting forward their fair share of resources to make services to our most fragile and disabled residents work properly.

When you think of our County prison and criminal court costs, and the high percentage of inmates with mental illnesses documented by our County's own interagency Task Force, think of us as the people who intervene early with people who are at risk of making bad decisions in the midst of mental, emotional, or substance induced confusion, and think of us as the people who work with those who come out of prisons and courtrooms to inspire, push and guide them to take firm responsibility for their poor judgment and to straighten out their lives.

When you think of Family Court and other costly problems among our youth that threatens their development toward adulthood roles, if not their very lives with the growing problems of suicide and drug abuse, think of us as the providers who work with schools, and the families, and with the kids to reduce risks and steer kids into a positive course.

When you think of the unemployed or the aging residents of our failing adult homes, or the immigrants, or of your constituents involved in virtually any kind of family stresses or conflicts, those facing the emotional distress of serious medical problems, or any of the problems that can come into the jurisdiction of our police, or welfare, or court, or health systems, think of us as the people who intervene early and often.

Our coalition members are the foundation of your community mental health system, and we're also here today to alert you that we're facing incredible challenges in trying to keep getting the job done. The foundation is cracking and sagging under the weight of growing costs and intense service demand.

We recognize that this has been an awful budget year for the County, and with so much going on at the State level in mental health funding, we've put virtually all our efforts this year in pushing New York State to ensure that the County receives its fair share of needed funds. But it's our request that next year this County also be prepared to address the intense struggles that the staff of all of our agencies are having in maintaining our efforts.

We will be in the Fall asking for a 6 to 8% increase in County funds in the 2005-2006 County budget for community mental health providers, specifically to allow agencies to receive

reimbursement for our uninsured County citizens who need our care and who do not pay for our services. Until then, we will have representatives at every meeting of this committee in order to be available to assist you in any way. Thank you very much.

**VICE-CHAIRPERSON NOWICK:**

Thank you for your presentation.

**LEG. FOLEY:**

Madam Chair.

**VICE-CHAIRPERSON NOWICK:**

And I see we have some questions. Legislator Foley.

**LEG. FOLEY:**

Thank you, Madam Chair. I'd like to thank the panel for their testimony. For those who may have heard it for the first time, even for those of us who have been working on this issue for a while, it still is rather riveting testimony to hear of the potential disaster that's out there with over 520 clients from 11 different adult homes that are going to be dislocated. And if I just may spend a couple of minutes on this, hear from Miss Baio a little bit more on the fact that of these 520 clients, are they all dislocated, or have they been sent out to other locations? Or how many adult homes have closed so far, how many are in the pipeline because -- if we could just have some specificity, Madam Chair, both from this panel, also from Mr. MacGilvray, who I'm sure has this information.

What's important about this, and we mentioned it in the past, if we're being, I won't even say penny wise, but to use that, penny wise and pound foolish, we heard about the \$28, and one of the best quotes I think that I've ever heard in public policy was from James McPeak from Patchogue who says you can't kennel a dog for \$28 a day. So, in fact, if an adult home is being closed and we're being told today by today's testimony that some of the clients are now in New York City, or in other boroughs or in other localities, and we're still -- it's on our dime and it's actually more expensive, well, then the system is even -- is even more twisted and troublesome than many of us have known that it has been.

So, with that as an introduction, if it could just give us some -- not to spend a lot of time with

this -- with this panel, I know others will hear from the Health Department, but if you could just lay out for the record how many homes have closed, how many have been dislocated. You said a potential 520, but where are we -- where are we right now?

**MS. BAIO:**

We've had 11 closed -- 11 homes have already closed. Family Lodge and South Country are currently in the process of closure.

**LEG. FOLEY:**

Okay.

**MS. BAIO:**

They have -- we have 30 some-odd people remaining in those homes. We still have people in Pilgrim's crisis housing situation from the Montauk and Holiday Manor that have not been relocated. We heard from the Department of Health that the Bay Shore Adult Home is going to be closed within the next couple of months. They have about 39 individuals. Henry Perkins in Riverhead is putting in a closure plan.

**LEG. FOLEY:**

I don't mean to interrupt, but is there a working document that you have, and I'll ask the same of the Health Department, that could be given to this committee?

**MR. STOLTZ:**

We're constantly requesting from the Department of Health, who has major -- the State Department of Health.

**LEG. FOLEY:**

New York State, let's make that distinction.

**MS. BAIO:**

Right.

**MR. STOLTZ:**

The State Department of Health.

**MS. BAIIO:**

Right, State Department.

**MR. STOLTZ:**

Which has oversight of all the homes and licensure responsibility, and also has to track where it is that people go. We've been asking repeatedly for exact documentation figures. We've yet to receive that.

**LEG. FOLEY:**

How many months have you been requesting that?

**MS. BAIIO:**

Since September.

**LEG. FOLEY:**

And just again, through the Chair, I'll be asking the Health Department if they've been requesting the same. So, go ahead, please.

**MR. STOLTZ:**

Well, the State -- a State association will also be putting through a FOIL to be able to get that information from the State Health Department.

**LEG. FOLEY:**

So, there's 520 clients who -- from those 11 locations have been moved out; correct?

**MS. BAIIO:**

Many have been moved out, and we have about 110 at Henry Perkins, 39 at Bay Shore, and 25 left at Family Lodge, the eight at South Country, and any potential homes that could come up at this point. So we have at least another 200 that are facing homelessness today.

**LEG. FOLEY:**

And -- please.

**VICE-CHAIRPERSON NOWICK:**

Excuse me one second.

**LEG. FOLEY:**

Sure.

**VICE CHAIRPERSON NOWICK:**

Maybe I missed something. The 520, where were they going after being dislocated from Suffolk County? Are they being --

**MS. BAIO:**

Of the 11 adult homes, a significant portion of them have already been relocated to primarily Queens, some other areas, some other boroughs, and some Upstate areas.

**VICE-CHAIRPERSON NOWICK:**

So, when they go to Queens from Suffolk County, does Suffolk County pay for them? Is that how --

**MS. BAIO:**

We're responsible -- my understanding is that we're responsible for those Medicaid costs once they leave the County for a certain period of time.

**VICE-CHAIRPERSON NOWICK:**

Okay.

**LEG. FOLEY:**

Similar to the Community College with out-of-county tuition that we have to pay.

**VICE-CHAIRPERSON NOWICK:**

Yes.

**MS. BAIO:**

Yes.

**LEG. FOLEY:**

Now, if they go back to Queens, was that the County of origin for some of these clients, or --

**MS. BAIO:**

There are some individuals who originated from New York City area, but not the vast majority of them. At this point, it's just a placement issue.

**LEG. FOLEY:**

Just I have one other follow-up, and then others, Madam Chair, and then we can go back to follow up the follow-ups.

The issue with -- you mentioned earlier about the poor or the lack of intergovernmental coordination or leadership. Amplify that particular point for us. I mean, let me just put it this way. It's my understanding that part of the constructive criticism of the system is the fact that, as I've understood it, and I'll say it, the State Office of Mental Health is basically in a panic mode, because the adult homes are closing, because the operators, who could cost anywhere from 50 to 60 dollars a day per client to run a facility, because the State is only giving \$28 dollars a day, that that's a, from the point of view of some of the operators, an unsustainable financial situation, and that when the operators made the State aware of the fact that they were going to be closing these -- their homes in an abbreviated period of time, the State, and I'll say it again, panicked to the point where they're putting out these RFP's for enhanced SRO's, which is a whole other issue. I think those things -- that particular approach is geographically biased. But the fact of the matter is there is no -- it seems to me, and if you can comment on my remarks, it seems to me that there is a comprehensive coordinated intelligent approach by the State with trying to deal with this issue of not only the closures of adult homes, but adequate funding in order to give these people at least a minimum level of dignity.

**MS. BAIO:**

Yes.

**MR. STOLTZ:**

Well, to say we're in a crisis --

**LEG. FOLEY:**

So, about the -- the problem of intergovernmental, amplify that particular remark.

**MR. STOLTZ:**

Sure. Well, first of all, to say that we're in a crisis is to say it was unanticipated, and pretty hard to see that this would have been unanticipated when the rate has been frozen at \$28 a day, the value of property costs and the operation of the businesses has gone up for years and years, and there is litigation right now at a State level between adult homeowners and the State Health Department, so this was pretty easily anticipated. But, also, out of recognition, and you could see it with the homes that are in your backyard, that these have been places that are deteriorating on the outside and that's reflective of the deterioration in care that's been on the inside for years. And, quite frankly, just what happens in the operation of adult homes doesn't match the needs of the people who live there, and we've been arguing for this for years. So, this crisis certainly is -- you know, is not a surprise.

In terms of kind of how things are organized and coordination, the State Department of Health licenses the homes and provides inspectors who go into the home to make sure that the operations meet regulatory compliance. In concert with them, the Office of Mental Health has a role, because about 60% of residents of licensed adult homes are people who have serious psychiatric disabilities, so they have a responsibility to ensure that there is psychiatric care being provided to them.

The Commission on Quality Care has institutional oversight as a watchdog agency to oversee, to, you know, watch the activities of both the Department of Health and the Office of Mental Health. That's on a State level. Then the challenge is, is there coordination with local services? So, in our coalition, we provide services like case management, day treatment, clinic services to some of the residents there. And the part where things have been falling apart is -- had been falling apart, I'll say, because there was not communication between the people who are operating services to many of the residents and the people who are overseeing the services for years. Our County Director, Mr. MacGilvray, has been pushing for this for a long time and trying to get recognition of the County and County providers' role, and we really were never welcomed into the process of communication that looked at care in adult homes, as well as coordination of services when a home may either be under investigation for substandard services, or may be closing.

So, this has been an issue that has been around if awhile. As we, as a Coalition, brought revelation about the crisis, then we've been able to now have pretty regular conference calls

with all parties, and sometimes face-to-face meetings with all parties, but, as we said, this -- the bottom line is, discussion and coordination is great, we need places for these people to live, and those are not forthcoming.

**MS. BAIO:**

Legislator Foley, you know, I think one of the serious issues is, you know, I see a turf situation between the State Departments of Health and State Office of Mental Health. The State Department of Health is saying that it's the operator's responsibility, as if housing did not concern all of us in this County and this State, that it's the operator's responsibility to find proper places for these individuals when they're closing homes around us and they don't exist. And the State Office of Mental Health is saying, "We're in the business to provide services, but housing is in the purview of the Health Department and we don't regulate the rates, and so have no real response to the fact that \$28 a day is not sufficient." They won't put additional resources into the problem.

So, at this point, we're at a standstill. Nobody is going to put additional resources, nobody is going to take primary responsibility for this issue, and the providers are responsible for trying to find a needle in a haystack. It doesn't exist.

**LEG. FOLEY:**

There isn't a, I'll say, systemic -- there isn't a system in place at the State level where OMH can advocate to the State Department of Health to say, "Listen, while you have responsibility for the adult homes, you need to raise the rates for the adult homes." There isn't that system in place where one department can speak to the other department and advocate as to the needs of the overall mission of that --

**MS. BAIO:**

No.

**LEG. FOLEY:**

-- particular level of government?

**MS. BAIO:**

Not to our knowledge.

**LEG. FOLEY:**

Not to our knowledge.

**MR. STOLTZ:**

I'll say those discussions take place.

**LEG. FOLEY:**

Informally.

**MR. STOLTZ:**

But the turf --

**LEG. FOLEY:**

Right.

**MR. STOLTZ:**

-- and the mandates and mission of each department are different and that's what meets the breakdown.

**VICE-CHAIRPERSON NOWICK:**

Legislator Schneiderman, did you have something to say?

**LEG. SCHNEIDERMAN:**

Thank you. First, I want to thank the panel for providing this information, educating myself, as well as others, as to this -- these issues, particularly this adult home issue, which I think sounds like it does -- deserves the term crisis based on what you said. And, you know, I tend to be solution oriented and I want to in a moment ask you about how we, as a Legislative body, can help assist you in this, but I want to make sure I fully understand this problem. And so far, what I'm hearing is only the dollars and cents, that these adult homes are closing for financial reasons. I want to know if that is the truth. If it's not, are there other factors, community pressures, etcetera, that are leading to all these homes closing and no new homes opening up? If you could respond to that, if that's really, you know, the main part of this, and then let's move on to some of the solutions.

**MS. BAIO:**

I think, primarily, we're talking about a fiscal issue in terms of \$28 a day, obviously, is not sufficient to run and provide services to individuals. And these are for profit adult homes. You know, this is an industry, and, basically, they've determined it's not a profitable business at this point. But, also, the State Departments of Health have closed some of the facilities because the care and conditions have deteriorated to the point where it's unhealthy for the residents in the homes. So, we have a dual problem going on, but the basic issue is finances.

**LEG. SCHNEIDERMAN:**

Is that the most efficient model, the adult home, to provide this type of care?

**MS. BAIO:**

I think we haven't come up with an innovative model of congregate care for people in need, specifically people with mental illness. But, certainly, at this point, we have offered -- as a coalition, we have a service system of supports and care that can augment any housing system in place, but we need the basic safe supportive housing for people and that just doesn't exist.

**LEG. SCHNEIDERMAN:**

I see.

**MS. BAIO:**

And these are individuals for which 24 care is needed. And so, our current system, we were putting people in community residences and supported housing; wonderful as it is, does not meet this particular population's need.

**LEG. SCHNEIDERMAN:**

So, in your opinion, as a health care professional, that this -- that adult -- these adult homes, from a cost and a quality of care perspective, is the way to go; is that correct?

**MR. STOLTZ:**

No.

**LEG. SCHNEIDERMAN:**

No?

**MR. STOLTZ:**

No.

**LEG. SCHNEIDERMAN:**

Okay. I'm sorry.

**MR. STOLTZ:**

Let me give you --

**LEG. SCHNEIDERMAN:**

I misunderstood that.

**MR. STOLTZ:**

I've been in this business for 25 years, from back in the time when we had three large State psychiatric centers here that back -- if you go back to the '50's and '60's, even before my time, had over 30,000 people in Suffolk County living in these centers. The adult homes were created as a place, basically, they were not originally adult homes, but became places for people to come out of the State psychiatric centers, places that would accept what was called the SSI, the augmented, the enhanced SSI rate. Back in the '70's and the early '80's, even perhaps you can make an argument, this was an -- you know, this was an appropriate level, at least it was the level of care that was available to facilitate the institutionalization. Now, the face people with serious mental illness has gotten much more complicated. People take more medications, there are more co-occurring medical problems, there is generally the intersect with substance abuse. These are often people who either do not fit into our current range of OMH certified and uncertified housing or rejected.

**LEG. SCHNEIDERMAN:**

What then would be the best model for care that, you know, we as a County should be promoting?

**MR. STOLTZ:**

Well, what we would ask your support for is to recognize that the mental health community can provide a better model, and what we are promoting is for the purchase and transition of as

many of these adult homes as possible to be acquired by mental health -- experienced mental health housing and support care providers, and that's a transition that started with a CRSRO RFP, which, thanks to all of our efforts, we -- Suffolk County was able to have more beds than were originally allocated, but it's still nowhere near what the need is. So, we have willing mental health housing agencies stepping up to try to purchase some of these home, will bring in State and Federal dollars to be able to enhance the physical appearance of the home and the interior of the home, and work with experienced mental health providers to have a much more aggressive presence within the homes to be able to provide rehabilitation, medical care, and recovery directed services. So, we can -- we do envision a better model of care that these former adult, hopefully, some day we could say former adult homes, can become.

**LEG. SCHNEIDERMAN:**

And with these health care agencies stepping in, did the numbers work better than with the private providers? Can you still make it with the -- what is it, \$28 a day, or something?

**MS. BAIO:**

No.

**MR. STOLTZ:**

No.

**MS. BAIO:**

No.

**MR. STOLTZ:**

No. We're bringing in other sources of funds.

**LEG. SCHNEIDERMAN:**

Outside funds.

**MR. STOLTZ:**

Well, through more like a combination of funds, so that you may have different levels of care within a facility. So, you may have some people who are still at that base rate, but you may have some people who are at an assisted living rate, some people who are at a community

residence rate, for example.

**LEG. SCHNEIDERMAN:**

Okay. So, that's the direction you'd like to see it move, change the model slightly, but still basically house individuals within homes or facilities within communities?

**MS. BAIO:**

Yes.

**LEG. SCHNEIDERMAN:**

But with a higher level of professional care.

**MS. BAIO:**

Yes.

**MR. STOLTZ:**

And you asked directly what it is that we would ask your help and support with is you guys are often the people who receive the calls from your constituents that say, you know, what's going on with this facility, or these people here are wandering, and, you know, we would like you to be informed and to be supportive, and we recognize the NIMBYism involved, to be supportive of -- we can do better, we are working to transition these models essentials. People with mental illness, we have the same percentage of people with serious mental illness in this County as occurs in any County and any community with -- across the United States.

**LEG. SCHNEIDERMAN:**

The NIMBYism is certainly a concern. Once one of these facilities closes, it's going to be much harder to reopen it and keep it going --

**MR. STOLTZ:**

That's correct.

**LEG. SCHNEIDERMAN:**

-- and to create new facilities and new communities. We know we've met with political opposition, community opposition, so it's going to be challenging.

On the State level, in terms of the reimbursement, I take it you're meeting with the Assemblymen and Senators from this area to try to increase that compensation? Any chance in the future? Probably not in this climate, right?

**MS. BAIO:**

We haven't seen any hope on that around. We have met with Legislators, Senator. We have spoken with anyone that will hear us at this point, and we've made meetings with everyone who will listen in Suffolk County. And, at this point, we don't have a lot of hope. I know there are even other coalitions and providers that are working on the reimbursement rate and talking about this, but I haven't seen any plan for a change at this point.

**LEG. SCHNEIDERMAN:**

And when individuals are relocated out of this community and the costs go up, that cost, all the additional cost is borne by the Suffolk County taxpayer; is that correct? It's all Medicaid, but --

**MR. STOLTZ:**

All Medicaid costs.

**MS. BAIO:**

All Medicaid costs.

**LEG. SCHNEIDERMAN:**

Which is Suffolk County taxpayers.

**MS. BAIO:**

Which is Suffolk County taxpayers. Even, in particular, when we're moving people to a nursing facility, we have no assisted living slots that are coming to Suffolk County. Many of these individuals have co-occurring medical disorders that may need additional medical care, but not warrant the level that a nursing home provides. We're talking about escalating costs three, four, five times fold, because we have no available bed with the needs for that particular resident. That's a huge burden to our system.

**VICE-CHAIRPERSON NOWICK:**

May I just ask a question?

**LEG. SCHNEIDERMAN:**

Do you know how many beds?

**MS. BAIO:**

That's -- how many people have gone to nursing homes?

**LEG. FOLEY:**

How many people who have gone there that were formerly in adult homes.

**MS. BAIO:**

We don't have an exact number. That's something we're getting from the -- trying to get from the Department of Health.

**LEG. SCHNEIDERMAN:**

Okay. Thank you.

**VICE-CHAIRPERSON NOWICK:**

Just quickly. I don't understand. If we're shipping them out, the patients, to Queens and we're paying for that anyway, how is it that we save money that way? How is it more affordable by shipping these patients out, or it's not?

**MR. STOLTZ:**

You don't.

**MS. BAIO:**

We don't.

**MR. STOLTZ:**

You lose on two parts. One, you lose the assurance that these people are getting the proper care, coordination that keeps them out of higher cost kinds of facilities, that kind of coordination, and working relationships with clients that we have in Suffolk County, so you lose that kind of connection. And we also lose permanently, when a bed is closed and the dollars are lost that support a person in an adult home in Suffolk County, those dollars are permanently lost.

**VICE-CHAIRPERSON NOWICK:**

Legislator Montano, did you still have questions?

**LEG. MONTANO:**

Actually, Madam Chair, no, thank you, but thank you for coming down. The questions I had were actually asked and answered. Thank you very much for sharing that with me.

**VICE-CHAIRPERSON NOWICK:**

Legislator Mystal.

**LEG. MYSTAL:**

I'm having a slight problem understanding how we get out of this.

Ms. Baio told me that there's no hope from the State. We at the County level know that we have a budget problem. All that Mr. Stoltz is asking for is 6 to 8% increase. Legislator Losquadro presented the problem of constituents in terms of NIMBYism.

**LEG. SCHNEIDERMAN:**

That's okay, you'll learn my name.

**LEG. MYSTAL:**

I'm sorry, Schneiderman.

**LEG. MYSTAL:**

That's okay.

**LEG. MYSTAL:**

Okay, Schneiderman. You all look alike to me, Republicans.

**LEG. SCHNEIDERMAN:**

We all look the same.

**LEG. MYSTAL:**

Legislator Schneiderman presented the NIMBYism problem. We know the County doesn't have

a whole bunch of money. I remember Ms. Baio, in your presentation, you said you have some creative solutions. Could you enlighten me into the creative solution, that doesn't involve the State giving you more money, the County giving you more money? It's like I'm trying to find a way out. I don't see the way out.

**MS. BAIO:**

You know, there's certainly not a way out without allocating resources. I mean, you know, we all have the fantasy that we can come up with a great way of protecting people without actually paying for it, but, you know, I know that doesn't exist. But, certainly, we have less -- we have solutions that will cost us less money. For example, there are adult homes that will only accept private pay individuals, individuals who have one thousand, twelve hundred dollars, or whatever, from private sources of money. We've looked at possibly putting, you know, a band aid on the problem right now and putting additional resources for select individuals with serious mental illnesses who are at risk right now of being homeless in order for us to sit down and come up with a more long-term solution, but handle the immediate needs. That's not -- that's not possible, we're told.

We have -- we have requested that individuals be moved from one adult facility to another that's closing or closed, so that we can renovate one of the facilities that they were in and then move them back and use the CRS, our own money, as a mechanism to begin to start the process of changing our housing services for people in Suffolk County. We can't do that. We've said that there's a mental health provider who's a nonprofit housing provider that has a vacant facility right now in Sayville who was offering 40 beds for individuals in immediate crisis, but we've had to give an additional, literally \$100 a month for each individual, so that we can begin to start the process of not losing people outside of this County. That solution is not possible.

So, we've come up with some fail-safe measures initially and said we're more than willing to sit down at the table, develop a model, look toward a long-term solution, but the immediate needs have to be taken care of right now. I mean, I'll sit all day and look for solutions, but they're going to require a few dollars. In my understanding, a few dollars now that we spend is going to save us a considerable amount of resources later, when these individuals are homeless, in nursing homes, or moved out of our region, but we need the political will to make that happen.

**VICE-CHAIRPERSON NOWICK:**

Any other questions? Thank you. Thank you very much for your presentation.

**MS. BAIO:**

Thank you.

**MS. MALDONADO:**

Thank you.

**MR. STOLTZ:**

Thank you.

**VICE-CHAIRPERSON NOWICK:**

I have another card here from and Andrew Mitchell.

**MR. MITCHELL:**

Yes.

**VICE-CHAIRPERSON NOWICK:**

Mr. Mitchell, come on up.

**MR. MITCHELL:**

Good morning. I'm Andrew Mitchell, and I am the President and CEO of Central Suffolk Hospital in Riverhead. And I want to thank you for allowing me to speak this morning. The topic is the Health Facilities Commission and the current activities to explore the feasibility of the County participating in some way in the financing activities of the hospitals in Suffolk County. As you are probably aware, this legislation goes back to the late 1970's, and has currently been reactivated through the department in an exploratory mode.

Central Suffolk Hospital is the largest provider of services to the North Fork and the East End of Long Island. We are the most comprehensive health care facility. I just want to refer to some of the demographic data for a moment.

As I'm sure you're aware, the population growth that is occurring in the Riverhead area is tremendous. We are currently experiencing an 8% growth in the population in the immediate region. We have a population that is age 65 and older that is now topping 25% of the total

population, as more and more of the retirement housing projects are completed within the region. And, in fact, the near retired and retired population are growing at 30% per annum, truly a remarkable number. The demand for incremental health care services and hospital services specifically to serve this population are beginning to overwhelm the system. Central Suffolk Hospital responding to this has begun a series of projects, certificate of need projects, including the expansion of an emergency center, two new operating rooms, and renovation of our in-patient facilities. We have received as of last week approval from the New York State Department of Health for all four of these certificate of need applications.

The problem that Central Suffolk faces is not unlike the problem of virtually all of the hospitals in the State of New York, at least the not-for-profit hospitals in the State of New York, and that is access to capital. Because of the historic financial problems of all of the New York State not-for-profit hospitals, the ability to access capital on Wall Street is extremely difficult, if not impossible. Let me take you through just a quick case study.

Central Suffolk, as I said, has four CON applications that have been approved. The financing activities have been approved by the State of New York as well. So, they agree with the methodologies, they agree with the concepts of the financing, and they believe that the project is deemed worthy and needed within our communities. Next step for Central Suffolk is to go out and try to raise the capital on Wall Street. We began the process through the Riverhead Industrial Development Agency. We've invested in an investment banker. We've met with some of the most prominent tax exempt bond funds operating in New York State and the response is a very simple one. Given the current financial performance of hospitals in New York State, not just Central Suffolk Hospital, but all is hospitals in New York State, the downgrading of the bonds of many of the hospitals, including most recently Staten Island University Hospital, part of the North Shore Health System, there is very little appetite on the part of Wall Street to get involved in tax exempt financing for hospitals.

Item Number 2. We actually have now for the first time received a term sheet from the Oppenheimer Fund, the Rochester Fund of Oppenheimer, to allow us to go out and do a 25 million dollar project. The reality of the term sheet is it isn't worth the paper it's written on, because there is no human way to effectuate the terms. The terms require us to come up with 10 million dollars of line of credit from an outside health system, that would be North Shore LIJ or New York Presbyterian. Neither system has the resource, nor is interested, in putting on line a 10 million dollar line of credit for a hospital all the way out in eastern Suffolk County. If we

were able to get that, the interest rate that we would be paying on the term sheet is approximately 8%, which makes the project -- questions the project's feasibility to begin with when you look at that level of debt service.

So, the challenge for Central Suffolk, and I would argue Southside Hospital and many other hospitals on Long Island, is to be able to continue to address the growing health care needs, especially the growing health care needs on the East End, be able to expand our facilities to meet that need, and be able to access capital to accomplish that.

The actions on the part of the Department of Health and the Health Facilities Commission to explore ways in which the County can work with hospitals to use government financing options to make them available to our institutions is, in my opinion, an exemplary opportunity for us to partner and look at these options together. The reality in Central Suffolk's case is that we are one of the largest providers to Suffolk County through our responsibilities and programs with the Riverhead Health Center, but probably more importantly, the Suffolk County Jail. On any given day at Central Suffolk hospital, there are approximately 20 to 30 prisoners from the jail that are brought to our emergency department literally on days filling the entire emergency department to receive their care. We accept that responsibility, we understand that responsibility, however, we do need to expand our facility.

As you know, the jail has become more overcrowded. The jail needs to address some of the health care needs, and the hospital is doing its part. I point out this, because I think that there is a partnership opportunity, and if the County has the foresight to use its ability to enter the capital markets and pass those rates and process across to our institutions, our hospital institutions, and allow the hospitals to continue to expand to meet -- and meet the demands of our community, this is a program that is very, very worthy of strong consideration. I'd be happy to answer any questions.

**VICE-CHAIRPERSON NOWICK:**

So, if I'm understanding you correctly, what you're seeing, or what you are hoping for, would be a partnership, so to speak, with the County, so the -- so that you can receive tax exempt bonds, and that would make it more feasible for making your facility a little larger; is that what I'm hearing?

**MR. MITCHELL:**

Essentially, yes. The concept of the Health Facilities Commission is to be able to use the credit enhancement of the government to do financings for hospitals. That doesn't mean that the hospital doesn't absorb the full impact of the debt service. The County has no responsibility for picking up the tab, so to speak. The County is passing on its credit enhancement --

**VICE CHAIRPERSON NOWICK:**

I understand.

**MR. MITCHELL:**

-- to allow us to enter into the capital market.

**VICE-CHAIRPERSON NOWICK:**

Yes. And so you were not successful with your Riverhead IDA and --

**MR. MITCHELL:**

We're still exploring numerous option, and to say that we're not successful is probably premature.

**VICE CHAIRPERSON NOWICK:**

Okay.

**MR. MITCHELL:**

The reality is that if we are successful, the cost of the financing, the cost of the debt service, the interest rate is going to be so substantially higher than what would be available through government.

**VICE-CHAIRPERSON NOWICK:**

Tax exempt, yeah.

**MR. MITCHELL:**

Just to point out, the hospitals, the not-for-profit hospitals, there's only one for-profit hospital that operates in Suffolk County, and I am not addressing that institution in any way, shape or form, but the not-for-profit hospitals all have the ability to issue tax exempt bonds through the

IDA as not-for-profit institutions. The financing that we're talking about in Central Suffolk through the IDA is a tax exempt financing. I point out that the interest rate that we're looking at optimistically on a tax exempt financing through the Riverhead IDA or, for that matter, the Suffolk IDA is about 8%. The impact of that incremental debt service really makes the feasibility of modernizing and expanding our facilities to meet the demand, if not unlikely, certainly diminishes the capacity of our institutions to do these projects.

**VICE-CHAIRPERSON NOWICK:**

Did somebody have a question?

**LEG. MONTANO:**

Yes, I had a question.

**VICE-CHAIRPERSON NOWICK:**

Yes, Legislator Montano.

**LEG. MONTANO:**

Good morning, sir. What would be the interest rate, if you were able to finance this deal and structure it through the Health Facilities Commission?

**MR. MITCHELL:**

Right now, it's my understanding that the County is receiving interest rates between 3 1/2 and 4%. We expect that the hospitals would pick up an administrative fee on top of that for the County, so that there truly is no cost to the County. So, I would anticipate that the interest rate could be anywhere between, let's say, 4 1/2 to 5% to completely eliminate all administrative costs to the County. The differential on a, I'll just state, a 40 million dollar project is approximately 1.6 million dollars a year in debt service over 30 years.

**LEG. MONTANO:**

Thirty years? What -- at what point in the process is the hospital -- is a hospital at with respect to the Health Facilities Commission? I mean, I'm not very clear on the process --

**MR. MITCHELL:**

Right.

**LEG. MONTANO:**

-- in any event, but just where are you at in that process?

**MR. MITCHELL:**

Well, I must confess that we are at the extremely preliminary stage. It wasn't until approximately two or three weeks ago that we were made aware that this program is potentially starting, or at least being considered for feasibility, and as a consequence, what we have done over the last two weeks is taken a step back to reexamine whether it is in the hospital and community's best interest to now proceed through the process with the County. The answer is, obviously, it is, even if it means delaying the project for six months to a year, because, again, the difference in the interest rate is so dramatic, number one. Number two, the only way clearly at this point that Central Suffolk Hospital will be able to get outside financing, a private investor financing, mutual fund financing, is through a relationship with either North Shore LIJ or New York Presbyterian. There is a substantial concern on what that impact would be on the State University Hospital at Stony Brook, and there are a lot of complexities that come into play if the East End hospitals as a whole were to somehow link up with a major New York City or Nassau County Health System and the impact that would have on the teaching program at Stony Brook.

**LEG. MONTANO:**

But, in any event, I thought you said earlier that that would need a 10 million dollar line of credit, which was not -- something that was not going to happen in any event; is that accurate?

**MR. MITCHELL:**

It's currently -- it is currently under negotiation with both New York Presbyterian and North Shore LIJ. If you would ask me today, I think it's unlikely that they're going to make that level of commitment to an east end hospital.

**LEG. MONTANO:**

I don't know if you would know the answer to this question, maybe some of the other Legislators might know, but I am aware that there are other hospitals that are looking at the Health Facilities Commission as a way of funding some of the projects that they're looking to undertake. Is there a -- is there a limit to how much is available for the hospitals, does anyone

know? Brian, do you know?

**LEG. MYSTAL:**

I don't think there's a limit. The question is how much debt service can you -- you can incur when you do it.

**LEG. MONTANO:**

Is it us that's incurring the debt service, or is it the hospital?

**LEG. SCHNEIDERMAN:**

It would be us.

**LEG. MYSTAL:**

It would be us.

**LEG. MONTANO:**

We would be guaranteeing.

**LEG. MYSTAL:**

We'll be the underwriters.

**LEG. MONTANO:**

Right, okay.

**MR. MITCHELL:**

The County would guarantee the loan, or the County would credit enhance the loan, depending on the scenario. Number two, partially to answer your question, sir, the State of New York, through the certificate of need application process, really defines the scope of a project at the hospital level. I know that's different from your question, but in order for the certificate of need to be approved, it has to go through architectural review, and it has to go through financial review, and then it has to go through programmatic review, point being that if the debt service cannot be carried by the institution, the Department of Health generally does not approve it. Accordingly, we all complete relatively extensive feasibility studies, project feasibility studies.

In the case of Central Suffolk Hospital -- and I've been doing just a little bit on my background. I have a Masters in Public Health from Yale, graduated in '82, and have been involved in hospital administration in Long Island and New York for the past 20 years, spending the past seven of those at North Shore.

The feasibility study for Central Suffolk hospital is absolutely remarkable. What it shows is that the expected population growth over the next five years and the increase in had patients, both in the emergency setting and the in-patient setting, actually carries the debt service. In most cases, you have to look to increase your market share with these projects. That's not the case. This is just a project to keep pace with the growth in the population that's occurring.

You know, if you haven't been to the East End lately, the farms are turning into housing projects all around Riverhead. I have a slide here of just a dozen projects within two miles of the hospital. There are over 2,000 housing units, senior citizen housing units, either condos or apartments coming on line in the next year.

**LEG. MONTANO:**

Thank you.

**VICE-CHAIRPERSON NOWICK:**

Legislator Schneiderman.

**LEG. SCHNEIDERMAN:**

I've got a couple of questions. The first -- and thank you for coming this morning.

**MR. MITCHELL:**

Sure.

**LEG. SCHNEIDERMAN:**

Good to see you again.

**MR. MITCHELL:**

Likewise.

**LEG. SCHNEIDERMAN:**

This construction that you're talking about, explain to me how that will increase the profitability of the hospital.

**MR. MITCHELL:**

Sure. First point is this projects is focused first on meeting need, not necessarily on profitability, but it does, in fact, address profitability.

The emergency center at Central Suffolk was built in the '70's to anticipate 15,000 visits. Today, we average over 25,000 visits. Obviously, the issues of overcrowding and an inability to move patients through and provide adequate care are really what's driving this project. Part of this project, because of the location of the emergency center, is also to build two new operating rooms.

When you look at the incremental volume that would be coming into the institution over the next five years related to this project, and the fact that we are focusing on the surgical cases as well as the cardiac cases, the incremental volume will drive to the bottom line of the institution.

Central Suffolk operates basically close to a break-even over the last couple of years. What we'd like to be able to do is position the institution to be generating a small profit to be able to reinvest in technology and program. The hospital will generate a \$500,000 bottom line profit this year, and with this project moving forward, we anticipate to be able to move that into approximately a 1% operating margin.

The reality is in all hospitals, there are such high fixed costs, facility, technology, nursing has become a fixed cost, given the nursing shortage. Because you can't flex the nursing staff. That the more volume you can drive through the institution, the more you can defray the fixed costs and move the institution towards profitability.

**LEG. SCHNEIDERMAN:**

So, in short, basically, you're trying to arrive at an economy of scale, but also to --

**MR. MITCHELL:**

Correct.

**LEG. SCHNEIDERMAN:**

-- provide certain services that are more income generating, some of the surgical procedures. I remember the last time we talked and the concern you raised had to do with the number of uninsured and the impact that that was having on the hospital.

**MR. MITCHELL:**

Absolutely.

**LEG. SCHNEIDERMAN:**

I mean, it would be devastating in terms of that, and I know that's a major factor in the other East End hospital over in Southampton.

**MR. MITCHELL:**

Correct.

**LEG. SCHNEIDERMAN:**

And it's a great concern of mine, because, obviously, my constituents depend very much on these hospitals where we're kind of trapped. And I want to make sure that --

**MR. MITCHELL:**

Sure.

**LEG. SCHNEIDERMAN:**

-- they stay operating, and no pun intended. And I understand your desire to look toward the County to back up some of your financing or your debt. It's a direction I don't know that the County's gone in the past, and I have some concerns about that, one, because as we increase our debt service, it tends to lower our bond rating and we end up having to borrow at higher amounts of money, higher interest rates for other projects.

But I'm also wondering about opening up this door, because you're not the only hospital, and you're not the only, you know, quasi governmental institution that would love to be able to borrow at our interest rates. We, obviously, get lower interest rates because we are a taxing

entity. You know, the next thing would be, you know, another hospital coming to us and saying, "We'd like to restructure our debt, and we'd like to pay off these loans and we'd like the County to be our borrower" -- "our lender", rather, or through your -- our credit, and that's a concern to me. So, maybe you want to -- I don't know if --

**MR. MITCHELL:**

Sure.

**LEG. SCHNEIDERMAN:**

-- you can address that, and maybe speak a little bit on that issue on the uninsured, too.

**MR. MITCHELL:**

Sure. Let me take the uninsured first. The East End, in particular Riverhead, Riverhead Township being the poorest town in Suffolk County, and the farming community on the North Fork, Central Suffolk Hospital on a 70 million dollar a year annual Operating Budget, provides 5 million dollars of uncompensated care, largely to the uninsured, the working uninsured, and the migrant work force. This is a huge problem to our institution, given the fact that realistically, the hospital can barely operate at a break-even right now. If we were even partially compensated for that 5 million dollars a year for care that we see nothing for, the hospital would be in a much better financial position and be able to access capital and do other things much easier. The reality is, as a not-for-profit community hospital, we accept that responsibility as part of our mission.

We've talked in the past about other avenues to explore to pay for the uncompensated care. It's a three letter word that begins with a "T" that no one really is very comfortable with, a concept of taxing a community to pay for the uncompensated health care in the hospital setting.

This particular mechanism that was thought up in the '70's is another method of being able to ensure the hospital safety net and be able to serve the full population and meet the mission. When you're talking about a difference in debt service of close to a million-and-a-half to two million dollars a year, that, in fact, subsidizes our ability to continue to provide the uncompensated care to our community.

To your point about opening up the floodgates, I think it's certainly a worthy concern, and my comments are twofold. Number one, again, the process in the State of New York for Certificate of Need is not an easy process. It's a very complicated and detailed process to prove need. So, that should allay some of the concerns. Number two, through the Health Facilities Commission, it may be advisable to place additional requirements of need as part of the process. The issue of amount of uncompensated care, the issue of service to County health facilities, and the responsibilities that the not-for-profit hospitals may have as part of this partnership I think are worthy considerations. So, I think there are ways to address some of the concerns.

In terms of the effect on the borrowing capacity of the County, while these sound like large numbers, they're truly not very large borrowings. And you may decide to segregate refinancing from new projects, which we would understand very much.

**LEG. SCHNEIDERMAN:**

The 40 million dollars may not be an enormous figure in terms of the County's budget, but if ten hospitals came in looking for 40 million, you have 400 million and now you are talking about significant numbers.

**MR. MITCHELL:**

Sure.

**LEG. SCHNEIDERMAN:**

So, in that -- in the larger context, that was --

**MR. MITCHELL:**

Again, Jay, you may want to figure out a way to place limitations. Forty million dollars in our case includes a refinancing, that the County may very well say that this should only apply to new projects to serve specific needs, and I think that the provider community, the hospitals, would accept that.

**VICE-CHAIRPERSON NOWICK:**

Legislator Mystal.

**LEG. MYSTAL:**

A quick question for you. A few years back, I think the one remaining for-profit hospital happened to be in my district, which is Brunswick Hospital, she's is always in trouble. A few years back, Legislator Maxine Postal and I put together a draft. We never floated it, because we didn't think it had a chance of passing this Legislature. We came up with the idea to have what we called a hospital district, like, you know, a hospital district like a fire district and police district and everything else, you know. We float it -- I wrote the -- I have to dig it up, some kind of a way to find where I put it. I want to ask for your professional opinion. Do you think politically, and I'm talking strictly politically, do you think this has a chance of even seeing the light of day?

**MR. MITCHELL:**

I would respectfully suggest that you all are the experts on the politics, not me. Having said that, the concept of a hospital district is something that I have talked a great deal about. If you spend any time in the State of Florida and you happen to visit one of the hospitals --

**LEG. MYSTAL:**

Yes, I have.

**MR. MITCHELL:**

-- you will notice that they are very modern, well kept facilities, offering a great deal of programs. Most of the hospitals in the State of Florida operate through a hospital district concept, where there's taxing authority for the not-for-profit institution, the taxing is limited to capital projects, and that's how these programs are built.

Going forward in the State of New York, we are going to have to recognize either the concept of a hospital district, or some method of defraying the cost of uncompensated care to the hospitals. The reality of low managed care reimbursement rates -- by the way, if you go across the Sound to Connecticut, the same insurance companies are providing rates to the hospitals for the same type of patients at 40% higher than what occurs in Suffolk County; okay? With low managed care reimbursement rates, with high uncompensated care costs, the balance sheets of all of your not-for-profit hospitals in Suffolk County are very, very weak. We are not able to get out into the capital market and expand and renovate the facilities to meet the growing population and the growing needs. We have an aging population, especially on the East End. We want to be able to meet that need. We're not asking for a handout. This capital

financing mechanism avoids a hand-out. But, if this doesn't work, a hospital taxing district, equivalent to the Fire Departments, the ambulances, is another way of defraying the uncompensated care cost, sir.

**LEG. MYSTAL:**

Yeah, I have spent sometime in Florida and that's where, you know, I have explored that idea. And, by the way, the previous panel that was before you on the mental health issue is also an issue that can be folded into a hospital district, all of those related things that could be folded. It is something that we need to explore. And I have a fairly decent number of items that I had researched on that, you know, from Florida and that we can talk about.

**VICE-CHAIRPERSON NOWICK:**

So, Legislator Mystal, if you tax, if you create a taxing district, and that would be on your tax bill, and would that be only if there was a capital project, or would that show up --

**LEG. MYSTAL:**

Yes.

**VICE CHAIRPERSON NOWICK:**

-- all the time?

**LEG. MYSTAL:**

The way it works is that, you know, if we think that our school districts are important for our children and we tax people to take care of the education of our children, then we have an aging throughout the country in -- throughout the country, you know, wherever we go, we should be thinking about the health and the mental health and other problems of our growing population. If we think, you know, saving our housing from -- we tax because of fire district, our security, we tax for the police, then a hospital becomes part of that quality of life system. The whole project has been that we always look at hospitals as something that you only need in certain times, but it's part of the whole package.

**VICE-CHAIRPERSON NOWICK:**

But, in order to -- and just playing devil's advocate.

**LEG. MYSTAL:**

Yeah, go ahead.

**VICE CHAIRPERSON NOWICK:**

In order to see something that -- like that come to fruition, the first thing that the taxpayers of Suffolk County are going to say is, "A tax." So, if you give them a tax, what type of a -- what do you take away? In other words, do they go to the hospital for free, then, or how does that work in Florida?

**LEG. MYSTAL:**

No, they don't go to the hospital for free.

**VICE-CHAIRPERSON NOWICK:**

What do they get back for the tax.

**LEG. MYSTAL:**

Their insurance bill. What you have, you save the infrastructure that you have for hospitals, as Mr. Mitchell is saying to us. And Mr. Schneiderman also said, it is not just that hospital which is in trouble. Eventually, every hospital in Suffolk County is going to run into it sooner or later, even those that are being taken over by the large -- you know, by LIJ and also by North Shore. Sooner or later, they're going to run into that program, because the monies that are being paid by the insurance company and by State is not enough to support the infrastructure. So, you have a taxable base for a capital project that will allow them to buy equipment and expend their services. It's something to be explored. You know, I'm not saying that -- you're going to need and there has been registration from the State. You know, you're going to have to have a referendum. You know, you're going to have a whole bunch of different kind of thing, but it's something to explore.

**MR. MITCHELL:**

If I could just --

**VICE-CHAIRPERSON NOWICK:**

I will go research it.

**LEG. MYSTAL:**

There you go. When you're down there, research that. I'm serious. I'll give you some places to go.

**MR. MITCHELL:**

If I could just comment to your point, Legislator, there would be a whole series of enabling legislations that would be required for this, and the reality is the enabling legislation already exists for the mechanism to pass capital to the hospitals for worthy projects. And it would seem to me that the concept of passing capital where the hospitals accept the responsibility for the debt service and the administrative costs to the County is a much more preferred methodology than establishing a new tax. Just a sense.

**LEG. SCHNEIDERMAN:**

Can I comment on that? I would say, logistically, there is no comparison. I mean, what you're saying is very feasible, whereas a tax district would be extremely complicated. And another element to that is under the debt servicing, you have the -- you have it equally spread out throughout the County, whereas through hospital districts, if each hospital is in its own district, those hospitals with the greatest number of uninsureds are going to have probably the highest tax rates in those districts. It also would depend, obviously, on the capital projects that that hospital undertook, so it wouldn't necessarily be equitable, whereas this, at least it's spread evenly among the entirety of the taxpayers.

**VICE-CHAIRPERSON NOWICK:**

Thank you. Any further questions?

**LEG. MONTANO:**

Yeah, just one last thing. This district concept, so what I'm understanding, I just want to be sure that I'm clear, is that if it were a district and there was a default, the default would be absorbed by the people in that particular hospital district as opposed to the County as a whole?

**MR. MITCHELL:**

No. We're really talking about two different things here, the first part which is what I'm addressing today, and hope that the Legislature will consider seriously, is reactivating the 1970's legislation that allows for the debt service to be either credit enhanced or guaranteed through the County.

**LEG. MONTANO:**

That would be through the Health Services --

**MR. MITCHELL:**

The Health --

**LEG. MONTANO:**

Health Facilities Commission.

**MR. MITCHELL:**

Correct.

**LEG. MONTANO:**

Okay.

**MR. MITCHELL:**

The second concept, which Mr. Mystal commented on, is a concept in other parts of the country to extend taxing authority to your not-for-profit hospitals by creating a hospital district, much as you have today with the fire departments and the ambulance systems, the ambulance corps, two different concepts.

**LEG. MONTANO:**

I'm aware of that. I was talking about more or less the default. If, in the event that there was a default with respect to any debt service that the hospital had, who would absorb that under the second concept?

**MR. MITCHELL:**

The second concept being the hospital district?

**LEG. MONTANO:**

Yes.

**MR. MITCHELL:**

I don't think there would be a default, because the --

**LEG. MONTANO:**

Because you don't have the ability to borrow under the County's --

**MR. MITCHELL:**

Correct.

**LEG. MONTANO:**

Okay.

**MR. MITCHELL:**

You would be using tax dollars to pay for a project without going out to a financing initiative.

**LEG. MYSTAL:**

One question. I think, you know, we got away with the word "district". What I meant by district, I don't mean to divvy up the County into differences pieces and -- you know, we have 18 districts or 11 districts, or whatever, no, it's the County district. See, the whole County becomes a hospital district, that we have the Police Department, you know, we have --

**LEG. MONTANO:**

I got you.

**LEG. MYSTAL:**

Okay?

**VICE-CHAIRPERSON NOWICK:**

It's a line on the tax bill, right?

**LEG. MONTANO:**

Got you.

**LEG. SCHNEIDERMAN:**

Okay. I thought, when it was compared to the fire departments and ambulances, there, you know, you have smaller districts.

**LEG. MYSTAL:**

I know. But this one is more akin to the Police Department, working through the Police Department.

**LEG. SCHNEIDERMAN:**

As well as the school district.

**VICE-CHAIRPERSON NOWICK:**

This is a line.

**LEG. MYSTAL:**

That's akin more like to the Police Department, not the school district, not your ambulance district, it would be the whole County as a whole.

**LEG. SCHNEIDERMAN:**

When a school district wants to do a capital project, there is a vote and people get to vote yes or no.

**LEG. MYSTAL:**

I know.

**LEG. SCHNEIDERMAN:**

In this case, if the hospital wanted to do a Capital Project, would there be a public vote, and would it County-wide or --

**LEG. MYSTAL:**

You have a commission. You have a -- all kind of making this input. You know, it's a County-wide thing, it's not a district, as Legislator Montano was asking. It's not a district, like -- you know, like --

**LEG. MONTANO:**

I got it now.

**LEG. MYSTAL:**

-- Good Sam and South Side were to go down to your district would be -- no, it's not -- no, it's not that.

**VICE-CHAIRPERSON NOWICK:**

And I think we're getting a little bit off the subject right now, so let's --

**LEG. SCHNEIDERMAN:**

You know, it's interesting conversation.

**VICE CHAIRPERSON NOWICK:**

I thank Mr. Mitchell. And I'm sorry we got a little off the subject, but --

**MR. MITCHELL:**

That's quite all right.

**VICE CHAIRPERSON NOWICK:**

-- you know, it's always good to reach out and look for other ideas.

**MR. MITCHELL:**

Thank you for allowing me to speak to you today.

**VICE-CHAIRPERSON NOWICK:**

And I do not have any other cards, so I'm going to go to the agenda.

**LEG. FOLEY:**

Madam Chair.

**VICE-CHAIRPERSON NOWICK:**

Who's that? Foley, Legislator Foley.

**LEG. FOLEY:**

Madam Chair, given the lengthy discussion earlier by the community mental health advocates, if we could have the Health Department Commissioners, as well as the Director of Substance Abuse and Mental Health Services, Mr. MacGilvray, come to the table before we get to the actual resolutions, just to have -- to have their thoughts, response, reactions, ways of -- I like

to use the word "amplify" on what was mentioned earlier about the problems outlined by the panel, vis-a-vis the mental health needs in the County, and the problems with the approach that the State has taken on this.

**DR. MERMELSTEIN:**

Which one would you like to discuss first, the mental health issue or the Health Facilities Commission or --

**VICE CHAIRPERSON NOWICK:**

The mental health issue.

**LEG. FOLEY:**

Let's go with mental health, if we may, through the Chair.

**MR. MACGILVRAY:**

Good morning. My name is Tom MacGilvray. I'm the Director of Community Mental Hygiene Services in Suffolk County. And thank you for the opportunity to come here this morning and to offer some comments on this issue. Let me first say that I think -- I think I'd like to acknowledge the work of the newly formed Coalition of Mental Health Providers for working so diligently and collaboratively with local government in bringing this issue to the forefront. I think it's safe to say that without their -- without their efforts, their advocacy efforts on the issue, this problem of adult homes, which is really 30, 40 years in the making, would still be languishing, you know, in darkness. And if anything else, you know, this group is really I think very courageously bringing this to light, an issue that's, as those of us who have been involved, have been languishing in Suffolk County and across New York State for so long, particularly Suffolk County, as the point was made, since, you know, we've had the presence of the large facilities in our County, and since, as a direct result of the hospital presence, the State hospital presence, we have the adult home industry here.

It was mentioned that we have 4,000 adult home beds, some 4,000. Many of those beds, of course, house people with serious mental illness. That is not my chance, it's a direct artifact of the presence of hospitals here, and that it's an issue and a sore topic for those of us in local government, because we, you know, have for many years, certainly since I've been here and before that, my predecessor have been attempting to get involved in this process in a more

meaningful way.

The fact is that the State laws really have the State Health Department, you know, responsible for licensing, you know, and funding these facilities. And even though County Charter and Mental Hygiene Law calls for the local government unit that would be the division to coordinate and plan services, we've always pretty much been left out of the process. We wanted to be involved, you know, long-term in the inspection with these homes to go in with DOH to -- and OMH officials when they're invited in to look at these homes, you know, for their inspections and more recently with the attention, you know, that these homes have been receiving. We wanted on also be involved, you know, in the particular homes that are, you know, at issue, so that we could add our two cents, not to the extent that we want to take ownership to this issue, because it is clearly, you know, a State issue and a State requirement, but we certainly want to be involved in the solutions. We certainly see these folks that are in these homes, you know, as ours now, even though perhaps many of them have come from other parts of New York State, mainly New York City, over time. We see them as ours and we see a responsibility to make sure that they have safe affordable housing. And the fact that these homes are closing and that many of these residents are being displaced is a great concern, I think local government, all of us involved, including this Legislature.

And I think the point of the coalition, certainly the point they make is that, you know, light is the best disinfectant. And what they're really trying to do is to shed light on this in a way that's never really been done before. And it's greatly helpful to me as the Director of Mental Hygiene Services in terms of, you know, our discussions with the State authorities.

Some good news, you know, in a relatively dark landscape is the fact that we have gotten additional services, more than we would have gotten otherwise. We've gotten 350 case management -- 330 case management slots that will directly -- you know, that will help us directly deal with this issue by way of coordination, and these case management slots will be directed toward these closing homes and adult homes in general, that would be helpful.

We've also managed to glean an additional -- well, 200 beds, additional CR beds are being given to Long Island, and I think we can expect to get the majority of those beds, hopefully, upwards of 150 CR beds that will, again, partially help us deal with this issue.

Again, I make the point that, as was well made by my colleagues, is that this certainly is a drop

in the bucket in terms of the overall issues and in terms of the immediacy of this problem. I think that in our efforts, you know, we've called for a moratorium, joined the coalition in calling for a moratorium on closures until such time as more long-term elegant solutions could be developed, you know, to respond to the disruption in people's lives. And while that's not happening, you know, we do meet more regularly with the State entities mentioned before, Office of Mental Health, Department of Health, and the CQC on a regular basis to talk not only specifically about, you know, the individuals that are being displaced, but in addition to that, longer term solutions, interim and longer term solutions to help us deal with this.

I mean, most immediately, I think the solution that becomes clear to me is that we have to -- it's a dollar solution. It comes at a time when the State and the County, of course, are facing huge budget gaps. But I think that, certainly, the argument could be made for adding additional funding to individuals in adult homes who are being displaced. Upwards of \$500 a month would go a long way, you know, in my estimation in helping place these people in residential settings that could meet their needs.

I as was said, there isn't any immediate responses in terms of the moratorium on the part of the State, or any immediate responses on the part of the Health Department in terms of State Health Department raising rates or adding additional dollars to the table. The dollars I mentioned I have to say are from the Office of Mental Health. In my estimation, within their budget, they've done and worked collaboratively with us to do everything they can to try and resolve this issue. They're limited by their resources, and they are not the licensing entity or the funding entity in this situation, although they acknowledge, you know, and take ownership of the fact that many of the people in these homes, you know, are folks with serious mental illness.

Just one further mention. Anticipating that I might have more time today, I did develop a power point, which pretty much kind of captures a lot of the things that have been said and then some from the perspective of local government. I will share with you the other presentation that, as I said, that highlights and summarizes some of the issues. The point I make is that it would be very important for, you know, the committee and the full Legislature to have a full working understanding of what the issues are, and I think the power point, at least, will give you some of the highlight and summarizes some of the history in Suffolk County. I'll share. I've got copies for you today.

**VICE-CHAIRPERSON NOWICK:**

Yeah. If you can just give it to the Clerk and we can all have copies.

Was there anything else that we needed to discuss here?

**LEG. FOLEY:**

Yes. Since the power point was distributed, perhaps at the next committee meeting, to have a continuation of this discussion, Madam Chair.

**VICE CHAIRPERSON NOWICK:**

That would be fine.

**LEG. FOLEY:**

We could have -- well, we'll read it between now and the next committee meeting.

**VICE-CHAIRPERSON NOWICK:**

Well, you'll have to talk to Legislator Tonna.

**LEG. FOLEY:**

But then have a power point presentation at the next committee meeting. I think that would be important.

Let me just ask this question to Mr. MacGilvray. You mentioned, Mr. MacGilvray that while OMH is -- that the State DOH is a licensing and a funding agency, OMH has some, let's say, shared responsibility. But because there really is, let's call it a hybrid responsibility here between OMH and DOH with these adult homes, even though it's the State DOH that does the licensing and funding, somehow, and the other speaker said the same thing, that that, for lack of a better word, complexity -- thanks. That complexity or that dichotomy is at the nub of the problem with the State addressing the issue?

**MR. MACGILVRAY:**

I think, as was indicated in earlier testimony by the panel, there is some -- there's some lack of ownership in a sense that this is such a complex issue and it requires really such a big cost to fix, that agencies are reluctant, really, to come forward and take responsibility. There is -- I've got to say that it wasn't mentioned, but there is statewide entities or an adult home work --

adult home work group that's looking, you know, at this issue, and it involves those agencies that were mentioned.

**LEG. FOLEY:**

The work group is made up of the operators?

**MR. MACGILVRAY:**

The work group I speak of has operator participation, but it is a work group that was convened by the Department of Health and on it -- sitting on that group is the Office of Mental Health, as well as the CQC. But, again, to give an indication of response that localities have had, as the Chair of the Mental Health Committee for the New York State Conference of Mental Hygiene Directors, we wrote Commissioner Novello directly asking for participation on that statewide work group and we were not invited.

**LEG. FOLEY:**

How long ago did you make that request?

**MR. MACGILVRAY:**

That was, I want to say, approximately two years ago.

**LEG. FOLEY:**

Madam Chair, if I may, if you could furnish the committee with a copy of that letter. And, as we have mentioned in the past, Tom, that when you make these kinds of requests, to apprise the committee of these requests, then we can do our share in trying to help as well, whether through a sense resolution or through our own individual letters to the State, and that's where we can help the County administration fulfill its mission. So, I think that would be important.

I think the basic point, Madam Chair, is the fact that even though there's a statewide working group, that there isn't really what I would call an interagency arrangement between OMH and DOH to -- between the two of them to tackle the problem. Would that be a correct characterization of it, or is the statewide group the way that -- is it, in essence, and interagency approach to try to come up with a solution?

**MR. MACGILVRAY:**

I think they're talking more now than they ever have in terms of resolving the situation. I think, you know, they're getting direction from the Governor's Office to deal with this issue more collaboratively. It's always been dealt with in their separate entities in the past. I think there's more collaboration. I mean, the fact that we speak locally with representation from CQC, DOH and OMH on a fairly regular basis, you know, to deal with our problems here, it may be a byproduct of a closer working relationship in Albany.

**LEG. FOLEY:**

Well, that letter from two years ago would be helpful, if you can send it to us, through the Chair and to each of the committee members. Thank you.

**VICE-CHAIRPERSON NOWICK:**

Okay. Thank you. Are you going to come back the next time and continue this? Would that be a good idea, come back the next time at the next meeting?

**MR. MACGILVRAY:**

Sure.

**VICE-CHAIRPERSON NOWICK:**

Thank you.

**VICE-CHAIRPERSON NOWICK:**

Okay.

**DR. MERMELSTEIN:**

I was wondering, I have a couple of updates on a couple of committees that have been -- or groups that have been put forth by the Legislature. I was wondering if I could have just a moment to speak about those.

**VICE-CHAIRPERSON NOWICK:**

Sure.

**DR. MERMELSTEIN:**

First is the Health Facilities Commission, which was discussed earlier. I just wanted to update the Health and Human Services Committee that the Health Facilities Commission has been

meeting. Since February, we've met three times. We have prepared an application form and a process for accomplishing our goals. As was stated earlier, the concept of this program was to help ensure availability of health services to County residents by the County providing loans to applicants. And, in the past, historically, I think there were about 12 loans that were given. So, the Health Facilities Commission was reactivated this year, and, primarily, because of the wish to provide a placement for the Bay Shore Health Center.

And so, currently, the Health Facilities Commission has been reviewing a presentation by Southside Hospital on their application for funding to build a health center, an emergency room, and a parking garage. And the Commission has asked the hospital for various informational items, and we're awaiting that information, and then once it's received, then that will be discussed.

The commission has been in contact with various branches of the government. We've contacted the County Comptroller, County Executive's Office, the Space Committee, Budget Review Office, and now this committee, just to make sure that everyone knows what the process is and what our activities are. And we've been receiving ongoing assistance from the County Attorney's Office, and we're going to continue to meet on a regular basis, as per the resolution.

The second issue that I wanted to -- report that I wanted give you was an update on the John J. Foley Skilled Nursing Facility Task Force that was set up through the omnibus resolution last year. The Task Force has met three times, and we're in the process of gathering any information on costs and comparisons of other nursing facilities. And we have an outline for our report and do intend to make every effort to complete the report by the July 1st deadline. The legislation also requires that we update the Health and Human Services Committee.

There is one request that we had. There is a consultant from an accounting firm who is familiar with nursing facility finances who's volunteered to come and speak to our group to provide some insights, and so we'd like to hear from this consultant, his name is Dan Horan, if there's no objection from this committee or from the Legislature.

**LEG. FOLEY:**

We're in no position to object or approve.

**VICE-CHAIRPERSON NOWICK:**

Okay. That was it.

**VICE-CHAIRPERSON NOWICK:**

Okay. Thank you very much. We're going to go on to the agenda. Commissioner, was there anything on the agenda that you wanted to come up and sit here and discuss with us, or you're all right back there?

**COMMISSIONER DEMARZO:**

Actually, I would like two seconds.

**VICE-CHAIRPERSON NOWICK:**

The clock is ticking.

**COMMISSIONER DEMARZO:**

Good afternoon. I know that we're running late into the agenda, but I just wanted to take this opportunity to introduce the new Deputy Commissioner of Social Services, Ed Hernandez. I know a number of you are familiar with his work in a lot of advocacy groups and a lot of housing initiatives. And he brings a real background, especially now in our housing area, as well as his other areas of endeavor, which will really strengthen the department. And I just wanted to, you know, personally introduce him to the committee.

**VICE-CHAIRPERSON NOWICK:**

Well, it certainly is nice to meet you. Congratulations.

**DEPUTY COMMISSIONER HERNANDEZ:**

Thank you.

**VICE-CHAIRPERSON NOWICK:**

And welcome to the Social Services Department. You've been here before, you've been in the Department all along, or you're new in the Department?

**DEPUTY COMMISSIONER HERNANDEZ:**

No, I've been formerly with Community Housing Invasions, involved with homeless and housing

issues in the County.

**VICE-CHAIRPERSON NOWICK:**

It's very nice to have you. I'm sure, if any of our Legislators wanted to speak to you personally, they could give you a call, or you could call us. Our doors are always open, our phone lines are always open.

And lots of luck to you.

**COMMISSIONER DEMARZO:**

Thank you.

**VICE CHAIRPERSON NOWICK:**

Thank you.

**DEPUTY COMMISSIONER HERNANDEZ:**

Thank you.

**LEG. SCHNEIDERMAN:**

I'd like to welcome you as well. And, also, I sit on the County Executive's Workforce Housing Committee, as well as chairing the ad hoc Committee on Housing for the Legislature. And I hope at some point we'll have an opportunity to speak more one on one about some of the work you've done on housing and to be a resource to both of those committees.

**DEPUTY COMMISSIONER HERNANDEZ:**

Absolutely.

**LEG. SCHNEIDERMAN:**

Okay. Thank you.

**LEG. SCHNEIDERMAN:**

Thank you.

**LEG. MONTANO:**

Ed, congratulations. Welcome

**DEPUTY COMMISSIONER HERNANDEZ:**

Thank you.

**INTRODUCTORY RESOLUTIONS**

**VICE-CHAIRPERSON NOWICK:**

Okay. ***Introductory Resolution 1296 - Appropriating funds in connection with the purchase of equipment for the Arthropod Borne Disease Laboratory (CP 4052) (Presiding Officer on request of County Executive).*** Do I have a motion?

**LEG. FOLEY:**

Can we have the Commissioner up at the table?

**VICE-CHAIRPERSON NOWICK:**

Commissioner, we need you back again.

**LEG. FOLEY:**

I make a motion to approve.

**VICE-CHAIRPERSON NOWICK:**

Motion to approve by Legislator Foley. Do I have a second?

**LEG. SCHNEIDERMAN:**

Second.

**VICE-CHAIRPERSON NOWICK:**

Second by Legislator Schneiderman. All in favor? Opposed? **Resolution is approved. (Vote: 5-0-0-3).**

***Number 1297.*** You got it? ***Appropriating funds in connection with improvements of the New Skilled Nursing Facility. (Presiding Officer on request of County Executive).***  
Do I have a motion?

**LEG. FOLEY:**

I will make the motion to approve.

**VICE-CHAIRPERSON NOWICK:**

Motion by Legislator Foley, seconded by Legislator --

**LEG. FOLEY:**

Just on the motion, Madam Chair.

**VICE-CHAIRPERSON NOWICK:**

-- Mystal.

**LEG. FOLEY:**

On the motion.

**VICE-CHAIRPERSON NOWICK:**

On the motion, Legislator Foley.

**LEG. FOLEY:**

Yeah. Commissioner, if you look at the backup memoranda, dated January 14th of '04, from John DeGilio to yourself, it mentions that the -- and the official name, and we have to speak with the County Attorney's Office, the official name is the John J. Foley Skilled Nursing Facility, not the New Skilled Nursing Facility. But, with that said -- and it took me about eight years to get the Gaffney Administration to make that change. But, with that said, if you look at the January 14th memo, it speaks of an appropriation request for seven hundred seven thousand three nine-five, and when we look at what has been proposed as five-sixty-five, why the difference? What's been left out?

**DR. MERMELSTEIN:**

Okay.

**LEG. FOLEY:**

Quite frankly, if I had the opportunity to review this before today, I would have given you a

heads up, as I normally try to do.

**DR. MERMELSTEIN:**

Okay. The memo from Mr. DeGilio requests 707,395. That's the sum amount to be requested in 2004 from CP 4057 and 4041, which is for the equipment. The 565,000, which is CP 4057, is to fund the cost of a Project Manager, as per the direction from DPW. Any project over 3 million dollars in cost must include funding for a Project Manager, and replacement and addition to the swipe card. So, the Project Manager is 400,000, and the swipe card system is a 165,000. There have already been planning funds of 360,000 appropriated, and so far to date, we've expended two hundred and fifty-one five-eighty-five.

Let me just request that Len Marchese come up, because he might be able to better explain it different.

**LEG. FOLEY:**

Please. Thank you. Are they two different projects, is that what we're driving at? But go ahead, please, explain.

**MR. MARCHESE:**

Well, the appropriations for this facility are a large number, and there's already existing appropriations, so what we're doing is adding to the existing appropriations to fund the total project. And that's what you're doing here, you're appropriating funds in the 2004 budget to pay for those expansions.

**LEG. FOLEY:**

All right. So this is -- when we read that memo, then, Project Number 4057, he doesn't have -- that's not the 707 number, that's 565; correct?

**MR. MARCHESE:**

Correct.

**LEG. FOLEY:**

All right. Now, the four -- Project 40 -- is it 4041 or is it 4051 for the 707,000? What project number is that? When you look at the memo, it looks 4041 or 4051 .

**MR. MARCHESE:**

What we did was we broke out --

**LEG. FOLEY:**

So, my question there is if it's a separate capital project, the 707,000, has that resolution come over to us, have we already approved it, or is it something that you intend to submit to us? And what -- in tandem with that, what would the monies be appropriated for within that particular project number?

**MR. MARCHESE:**

What we tried to do is, since the project was completed a long time ago, the construction, what we wanted to do on an ongoing basis was separate out the equipment --

**LEG. FOLEY:**

Correct, correct, correct.

**MR. MARCHESE:**

-- on a regular basis, as opposed to construction and capitaling it.

**LEG. FOLEY:**

Right, right, right.

**MR. MARCHESE:**

So, we made them into two separate capital projects.

**LEG. FOLEY:**

Right.

**MR. MARCHESE:**

So, what you're looking at here is the construction portion, which is the addition. We're making the addition to the Skilled Nursing Facility for the physical therapy and rehab portion.

**LEG. FOLEY:**

Ant that's -- but which money is that, is that the 565, or is it the other amount?

**MR. MARCHESE:**

This is the 565.

**LEG. FOLEY:**

All right. So, I get back to the other point, through the Chair. The memoranda speaks of the -- that the Skilled Nursing Facility requests that a resolution be submitted to appropriate \$707,395 that was adopted for capital project. So, we need an appropriation resolution for that. That's separate from this.

**MR. MARCHESE:**

Correct.

**LEG. FOLEY:**

And my second question is, for that particular project, what does that entail? And does the department intend to submit that particular project for our approval?

**MR. MARCHESE:**

Yes. The answer is yes.

**LEG. FOLEY:**

The answer is yes, you intend to submit it. But what would be purchased with that particular appropriation, or what would that fund?

**MR. MARCHESE:**

I'd have to get the details for you on that.

**LEG. FOLEY:**

All right. All right. But you -- that's not capital. Is that equipment? Is that an equipment line?

**MR. MARCHESE:**

Yeah. I would have to get the details.

**LEG. FOLEY:**

All right. That would be helpful, because, when I look at this, it would have been, I think, helpful to have both of those --

**LEG. SCHNEIDERMAN:**

You're not going to hold of on --

**LEG. FOLEY:**

Well, no, no. Both of those projects submitted at the same time for us to approve today, as opposed to now having to come back, because I know that that has to do with equipment, and equipment is something that on a yearly basis they need -- in some cases, they need to update because of the intense use of some of that equipment for -- either for OT or for PT. Thank you, Madam Chair. And so there is a motion to approve.

**VICE-CHAIRPERSON NOWICK:**

Okay. And I have a second by Legislator Mystal. All in favor? All opposed? **Motion, 1297, approved. (Vote: 5-0-0-3)**

***Motion, 1308 - Accepting and appropriating additional 100% State grant funds for contracted agencies in the Division of Community Mental Hygiene Services for the (ongoing Integrated Supported Employment Program). (Presiding Officer on request of County Executive)***

**LEG. FOLEY:**

Motion. Motion to approve.

**LEG. MONTANO:**

Second.

**VICE-CHAIRPERSON NOWICK:**

Motion by Legislator Foley, second by Legislator Montano. All in favor? All opposed? Also, I'd like to make a motion to put this on the Consent Calendar.

**LEG. FOLEY:**

Second.

**VICE-CHAIRPERSON NOWICK:**

Motion by Legislator Foley, seconded by Legislator Mystal. All in favor? **Approved. (Vote: 5-0-0-3).**

***1309 - Amending the Department of Health Services 2004 Adopted Budget to accept and appropriate (additional 100% grant funds from the New York State Office of Mental Health to the Department of Health Services, Division of Mental Hygiene Services for the Federation of Organization s Assertive Community Treatment (ACT) Team Service Dollars.) (Presiding Officer on request of County Executive)***

**LEG. FOLEY:**

Motion to approve.

**LEG. MONTANO:**

Second.

**VICE-CHAIRPERSON NOWICK:**

Motion by Legislator Foley, second by Legislator Montano. All in favor? Please, motion to put on Consent Calendar as well.

**LEG. FOLEY:**

Second.

**VICE CHAIRPERSON NOWICK:**

**Approved. (Vote: 5-0-0-3).**

***1311 - Accepting and appropriating 39.9% Federal TANF grant funds and 60.1% State HCRA funds for the New York State Department of Health Services (Division of Patient Care Services for the School Based Health Program). (Presiding Officer on request of the County Executive).*** Motion by Legislator Schneiderman.

**LEG. MONTANO:**

Second it.

**VICE-CHAIRPERSON NOWICK:**

Second by Legislator Montano. All in favor? All opposed? **(Approved - Vote: 5-0-0-3)**. That can go on the Consent Calendar as well.

**LEG. FOLEY:**

That can go on the Consent Calendar, but, Madam Chair, but --

**VICE-CHAIRPERSON NOWICK:**

Well, it's 39.9 and 60.1?

**LEG. FOLEY:**

Yeah, but --

**VICE CHAIRPERSON NOWICK:**

But what?

**LEG. FOLEY:**

Just a quick question for the Health Department. Which schools -- which schools will receive this program, and how did the -- how did the department go about deciding which schools would benefit from this program? We will approve it, and if you can't give us a comprehensive answer today --

**DR. MERMELSTEIN:**

Let me get back to you.

**LEG. FOLEY:**

-- our General Meeting isn't until the 20th of the month, so we have time to get that answer.

**DR. MERMELSTEIN:**

Okay. Let me get back to you. Thank you.

**VICE-CHAIRPERSON NOWICK:**

Okay. And we put that on the Consent Calendar as well?

**LEG. SCHNEIDERMAN:**

Does that need to go on the Consent Calendar?

**LEG. FOLEY:**

Yes. It's 100%.

**VICE CHAIRPERSON NOWICK:**

Yeah. Well --

**LEG. SCHNEIDERMAN:**

No, the last one.

**LEG. FOLEY:**

All right. Let's not put --

**VICE CHAIRPERSON NOWICK:**

Okay.

**LEG. FOLEY:**

Good point.

**VICE CHAIRPERSON NOWICK:**

All right.

**LEG. FOLEY:**

Let's leave it on the regular agenda.

**VICE-CHAIRPERSON NOWICK:**

Okay.

**LEG. FOLEY:**

Thank you.

**VICE CHAIRPERSON NOWICK:**

Motion to approve ***1314 - Accepting and appropriating 100% Federal grant funds from***

***the Health Research, Inc. (HRI) to the Department of Health Services (Division of Patient Care Services for the Ryan White II, HIV Primary Care Services Program). (Presiding Officer on request of County Executive).***

**LEG. FOLEY:**

Motion to approve.

**LEG. SCHNEIDERMAN:**

Second.

**VICE-CHAIRPERSON NOWICK:**

Motion to approve by Legislator Foley, second by Legislator Schneiderman. All in favor? All opposed? **Approved. (Vote: 5-0-0-3)**

1315, accepting --

**LEG. SCHNEIDERMAN:**

That goes on the Consent Calendar, 13 --

**LEG. FOLEY:**

Motion to place on the Consent Calendar.

**LEG. SCHNEIDERMAN:**

Second.

**LEG. FOLEY:**

A hundred percent funding.

**VICE CHAIRPERSON NOWICK:**

Okay. You got --

**LEG. MONTANO:**

1314.

**VICE CHAIRPERSON NOWICK:**

Yes. **1315 - Accepting and appropriating 100% Federal grant funds passed through the New York State Division of Criminal Justice Services to the Department of Health Services (Division of Medical, Legal Investigations and Forensic Sciences for the No Suspect Casework DNA Backlog Reduction Program).** Motion by Legislator Montano, seconded by Legislator Mystal. All in favor? Opposed? Motion to put on the Consent Calendar. Same motion, same second. **Approved. (Vote: 5-0-0-3).**

**1316 - Accepting and appropriating 80% grant funding for the New York State Office of Children and Family Services for The Education and Training Voucher Program. (Presiding Officer on request of the County Executive).** Motion by --

**LEG. FOLEY:**

Motion.

**VICE-CHAIRPERSON NOWICK:**

-- Legislator Foley, second by --

**LEG. MONTANO:**

Second.

**VICE-CHAIRPERSON NOWICK:**

-- Legislator Montano. All in favor? All opposed? **1316 is approved. (Vote: 5-0-0-3)**

**1324 - Designating the third week of March as "Poison Prevention Week". (Presiding Officer on request of the County Executive).**

**LEG. MYSTAL:**

Didn't that pass?

**VICE-CHAIRPERSON NOWICK:**

Yes, it did, but I guess in the future it will be --

**LEG. SCHNEIDERMAN:**

What is that, March of next year?

**VICE-CHAIRPERSON NOWICK:**

Yes. Okay. Motion by myself, second by Legislator Schneiderman. All in favor? Approved.

**Motion approved. (Vote: 5-0-0-3)**

***1337 - Directing the Commissioner of Health to fill vacant positions in the Division of Wast Water Management (Binder).***

**LEG. FOLEY:**

Can we hear from the Department on this, Madam Chair --

**VICE CHAIRPERSON NOWICK:**

Yes.

**LEG. FOLEY:**

-- before we make a decision as a committee?

**DR. MERMELSTEIN:**

Thank you. I just wanted to say thank you to Legislator Binder and for the Legislature for considering our needs. This issue is very important to us.

In response from a directive from the County Executive, we've already submitted four out of these five positions for release, and they have been signed off and released to use, so we are in the process of trying to fill those positions, so I --

**LEG. MYSTAL:**

So, this bill is not needed.

**DR. MERMELSTEIN:**

The bill is really not necessary, because --

**LEG. FOLEY:**

Wonderful.

**VICE-CHAIRPERSON NOWICK:**

Okay.

**LEG. FOLEY:**

Great response. That's terrific.

**VICE CHAIRPERSON NOWICK:**

So, it's not necessary, so --

**LEG. FOLEY:**

Motion to table.

**VICE-CHAIRPERSON NOWICK:**

Motion to table, second by Legislator Montano. All in favor? Thirteen 37 has -- no?

**LEG. FOLEY:**

Why don't we table subject to call and --

**LEG. SCHNEIDERMAN:**

Right, because --

**LEG. FOLEY:**

In that --

**LEG. SCHNEIDERMAN:**

-- I was going to say let's pass it.

**LEG. MONTANO:**

Yeah. I really have some questions with respect to the bill generally.

**LEG. FOLEY:**

Okay.

**LEG. MONTANO:**

And in light of the fact that the bill becomes academic because there's a request for the -- to fill these positions, I'm not going to second it. If, in fact, a motion to approve was made, I would vote against it.

**VICE CHAIRPERSON NOWICK:**

All right. So, can we table subject to --

**LEG. SCHNEIDERMAN:**

Motion to discharge without recommendation. No?

**LEG. MONTANO:**

No.

**VICE CHAIRPERSON NOWICK:**

No.

**LEG. MYSTAL:**

Can we just ask the sponsor if it's necessary? He can withdraw it, you know.

**LEG. MONTANO:**

No, he's not here, that's the problem.

**LEG. MYSTAL:**

Can we table it and maybe he can withdraw it, since it's not necessary?

**LEG. SCHNEIDERMAN:**

Well, technically, there's been a motion to table and a second, so we ought to have that vote.

**LEG. MONTANO:**

Well, someone else second it.

**VICE CHAIRPERSON NOWICK:**

Okay. There's a motion to table and a second.

**LEG. FOLEY:**

I'll make a motion to -- first, I'll make a motion to table subject to call.

**VICE-CHAIRPERSON NOWICK:**

Okay. That supersedes a motion to table. Do I have a second on that? It could always be brought back.

**LEG. FOLEY:**

Yeah, it could --

**VICE CHAIRPERSON NOWICK:**

Okay. Do I have a second?

**LEG. MYSTAL:**

Second.

**VICE-CHAIRPERSON NOWICK:**

Second by Legislator Mystal.

**LEG. FOLEY:**

All right. Just on the motion. Just on the motion, Madam Chair.

**VICE CHAIRPERSON NOWICK:**

On the motion, Legislator Foley.

**LEG. FOLEY:**

The reason for the table subject to call, we've heard from the Commissioner that four out of five of these positions, SCIN forms have been submitted. Have they been approved by the County Executive?

**DR. MERMELSTEIN:**

Yes, they've approved, signed and sent back.

**LEG. FOLEY:**

All right. So, there's going to be an active search for those four or five positions. By having it

tabled subject to call, it's off the agenda, but we could bring it back up, if, in fact, we find, which I don't think will happen, but if we find somewhere down the line that these positions weren't actively pursued to be filled. So, it's a way of --

**VICE-CHAIRPERSON NOWICK:**

Just to understand it, we do not need the resolution. We have four positions --

**LEG. FOLEY:**

That's correct.

**VICE CHAIRPERSON NOWICK:**

-- already being filled. We could always bring it back.

**LEG. SCHNEIDERMAN:**

Wait. I don't follow from that. I mean, basically, this calls for five positions and you're saying that four have been released. What about the fifth, which one is it, and is it necessary?

**DR. MERMELSTEIN:**

Well, when the Health Department put in its request, we did a prioritization, looking at the needs of the entire department. And in that prioritization, we felt that four out of the five positions needed to be filled. We had other priorities and other aspects of the department that were more pressing. It's one clerical position.

**LEG. SCHNEIDERMAN:**

So, you worked with Legislator Binder, obviously, on this resolution, and you're saying, right now, it may not be necessary, so --

**DR. MERMELSTEIN:**

I did not work with the Legislator on the resolution.

**LEG. FOLEY:**

However, however --

**DR. MERMELSTEIN:**

But I appreciate it.

**LEG. SCHNEIDERMAN:**

Oh, okay.

**LEG. FOLEY:**

However, it's not necessary is what you're saying.

**DR. MERMELSTEIN:**

It wasn't necessary --

**LEG. SCHNEIDERMAN:**

Obviously, it was done to help you in your efforts.

**DR. MERMELSTEIN:**

-- because we've submitted them and they were filled.

**LEG. SCHNEIDERMAN:**

Okay. So --

**LEG. MONTANO:**

Let me ask a question, if I may. Does anybody know what Legislator Binder's position is with respect to this bill right now?

**MS. MARTIN:**

Speaking as Legislator Binder's Aide, he would have liked the resolution passed. We were not aware that these positions will be signed off on and approved.

**LEG. FOLEY:**

So, that's why I say --

**VICE-CHAIRPERSON NOWICK:**

Okay. So they have been approved already --

**LEG. FOLEY:**

Right.

**VICE CHAIRPERSON NOWICK:**

-- so it's sort of a moot subject.

**LEG. FOLEY:**

It is, but by tabling subject to call, it's still there, you know, it's there in case the department doesn't follow through on it. So, I think it's a fair -- it's a fair compromise.

**LEG. MONTANO:**

Deal with the merits at another time.

**LEG. FOLEY:**

Right. So, there's a motion to table subject to call.

**VICE-CHAIRPERSON NOWICK:**

So, all in favor? Opposed?

**LEG. SCHNEIDERMAN:**

Opposed. I'd like to pass it.

**VICE-CHAIRPERSON NOWICK:**

Okay. But I'm opposed to table subject to call, I would like to just table it. But it's already passed, so --

**LEG. SCHNEIDERMAN:**

Yeah, it's **tabled subject to call. (Vote: 5-0-0-3)**

**LEG. FOLEY:**

Okay.

**VICE-CHAIRPERSON NOWICK:**

All right. Do I have a motion to close the meeting?

**LEG. MYSTAL:**

You sure do, ma'am.

**VICE CHAIRPERSON NOWICK:**

Legislator Foley?

**LEG. FOLEY:**

I'm sorry?

**VICE-CHAIRPERSON NOWICK:**

Motion to close the meeting?

**LEG. SCHNEIDERMAN:**

Motion to adjourn, yeah.

**LEG. FOLEY:**

Do we have to? Okay. Motion to --

**LEG. MYSTAL:**

Yes, we have to.

**LEG. FOLEY:**

Motion to close.

**VICE-CHAIRPERSON NOWICK:**

And second by Legislator Mystal.

**LEG. MYSTAL:**

Yes, definitely.

***[THE MEETING WAS ADJOURNED AT 11:35 A.M.]***